



General Assembly

Substitute Bill No. 5064

February Session, 2002

AN ACT CONCERNING REGIONAL ASSETS DISTRICTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2002*) (a) The General Assembly
2 finds that supplemental sources of public and private revenue are
3 needed by municipalities to finance programs of local tax relief to
4 preserve, improve and develop the civic, recreational, library, sports,
5 cultural and other regional assets of the state; that local governments in
6 the state lack the resources to adequately maintain, improve and
7 modernize the civic, recreational, library, sports, cultural and other
8 regional assets, the continued availability of which is vital to the
9 economic growth and development of the state and the ability of the
10 state to compete globally for visitors, residents and investment in jobs
11 and to the health, welfare, education and quality of life of the citizens of
12 the region and state; that new methods of area-wide intergovernmental
13 cooperation, including the transfer of regional assets to private
14 organizations receiving public support, are essential to preserve and
15 improve the civic, recreational, library, sports, cultural and other
16 regional assets; and that in developing new methods of area-wide
17 intergovernmental cooperation to preserve and improve regional assets,
18 every effort should be made to utilize to the maximum extent practicable
19 the existing resources and capabilities of municipalities and private
20 organizations in each region and to avoid the creation of new and
21 duplicative bureaucracies responsible for employing individuals,

22 owning property and executing contracts.

23 (b) It is hereby declared to be the policy of the state to promote the
24 health, welfare and quality of life of the citizens of the state and to
25 enhance economic development and employment in the regions of the
26 state by authorizing the creation of regional asset districts as a special
27 purpose area-wide unit of government.

28 Sec. 2. (NEW) (*Effective July 1, 2002*) As used in this act:

29 (1) "Board" means the governing body of a district established
30 pursuant to section 5 of this act;

31 (2) "District" means any district established pursuant to section 3 of
32 this act;

33 (3) "Initial year in which disbursements are received" means the first
34 calendar year in which disbursements are received by qualified
35 municipalities under section 21 of this act;

36 (4) "Minority business enterprise" means a minority business
37 enterprise, as defined in section 4a-60g of the general statutes, as
38 amended;

39 (5) "Municipality" means a town, city or borough;

40 (6) "Person" means a business, individual, corporation, limited liability
41 company, union, association, firm, partnership, committee, club or other
42 organization or group of persons;

43 (7) "Regional asset" means a civic, recreational, library, sports or
44 cultural facility or project designated by a district established pursuant to
45 this act.

46 Sec. 3. (NEW) (*Effective July 1, 2002*) (a) Any regional council of
47 governments organized under the provisions of sections 4-124i to 4-124p,
48 inclusive, of the general statutes, as amended, with a municipality that
49 has a population of more than fifty thousand may, by concurrent

50 ordinance of the legislative body of each municipality that is a member
51 of the regional council of officials, establish a regional assets district. Any
52 municipality that is contiguous to a regional council of governments that
53 has established a regional assets district under the provisions of this act
54 may become a member of such district by ordinance by the legislative
55 body.

56 (b) Any town, city or borough may withdraw from a district by
57 adoption of an ordinance by its legislative body. Any such ordinance
58 shall be effective six months after such adoption.

59 Sec. 4. (NEW) (*Effective July 1, 2002*) (a) Any regional asset district
60 created under section 3 of this act shall be a body corporate and politic.
61 Any such district shall be a political subdivision of the state established
62 and created for the performance of an essential public and government
63 function.

64 (b) Notwithstanding any action by a municipality, a district shall
65 continue in existence perpetually except that the district may be
66 terminated pursuant to an intergovernmental cooperation agreement
67 between the municipalities which transfers, without impairment, all of
68 the administrative, managerial or financial functions exercised with
69 respect to regional assets by the district to a municipality within the
70 district.

71 (c) Members of the board shall not be liable personally on the bonds
72 or other obligations of the district and the rights of creditors shall be
73 solely against the district. The district, itself or by contract, shall defend
74 board members and the district shall indemnify and hold harmless
75 board members, whether currently employed by the district or not,
76 against and from any and all personal liability, actions, causes of action
77 and any and all claims made against them for whatever actions they
78 perform within the scope of their duties as board members.

79 Sec. 5. (NEW) (*Effective July 1, 2002*) (a) The powers and duties of any
80 district shall be exercised by a board that reflects the racial and ethnic
81 diversity of the planning region in which the regional council of

82 governments operates and shall be composed of the following members:

83 (1) Four members who shall be selected from lists of three nominees
84 submitted by the members of the regional council of governments, none
85 of whom shall reside in a city with a population of more than fifty
86 thousand;

87 (2) Two members appointed by the chief elected official of the
88 municipality with a population of more than fifty thousand, who shall
89 serve at the pleasure of such chief elected official;

90 (3) One member appointed by the vote of at least five of the members
91 appointed pursuant to subdivisions (1) and (2) of this subsection from a
92 list of nominees provided by regional economic and community
93 development organizations; and

94 (4) One nonvoting member appointed by the Governor, who shall
95 serve at the pleasure of the Governor.

96 (b) The term of office of members of the board appointed under
97 subdivisions (1) and (2) of subsection (a) of this section shall be the term
98 of office of the appointing authority of the members and until their
99 successors are appointed and qualified. The term of office of members of
100 the board appointed under subdivisions (3) and (4) of said subsection (a)
101 shall be for a term of two years and until their successors are appointed
102 and qualified. Any person appointed to the board when a vacancy
103 occurs during the term of office of a member of the board shall serve for
104 the remainder of the term.

105 (c) The regional council of governments shall select one of the
106 members of the board appointed under subdivision (1) of subsection (a)
107 of this section as the interim chairperson of the district who shall, within
108 ten days of the effective date of the creation of the district, set a date, time
109 and place for the initial organizational meeting of the board. The
110 members shall elect from among themselves a chairperson, vice
111 chairperson, secretary, treasurer and such other officers as they may
112 determine. A member may hold more than one office of the board at any

113 time. Members may serve successive terms as officers of the board.

114 (d) The board shall meet as frequently as it deems appropriate but at
115 least once during each quarter of the fiscal year. A meeting of the board
116 shall be called by the chairperson upon request to the chairperson by at
117 least two members of the board. A majority of the members appointed to
118 the board shall constitute a quorum for the purpose of conducting the
119 business of the board and for all other purposes, except that for the
120 purposes of making decisions regarding personnel matters, contracts
121 and capital and operating budgets, and deciding whether to enter into
122 cooperation and support agreements with regional assets not included
123 within the district's initial financial plan, an affirmative vote of at least six
124 members of the board shall be required.

125 Sec. 6. (NEW) (*Effective July 1, 2002*) (a) Any district established
126 pursuant to section 3 of this act, by entering into agreements with
127 municipalities and persons providing for cooperation, shall:

128 (1) Support and finance regional assets;

129 (2) Engage in the oversight and coordination of regional assets; and

130 (3) Assure the efficient and effective operation and development of
131 regional assets.

132 (b) To accomplish the purposes of section 1 to 22, inclusive, of this act,
133 the district may have power:

134 (1) To sue and be sued;

135 (2) To adopt, use and alter at will a corporate seal;

136 (3) To make, enter into and award contracts;

137 (4) To conduct financial and performance reviews and audits of
138 regional assets;

139 (5) To conduct long-term planning necessary for the efficient and
140 effective operation and development of regional assets;

141 (6) To make and alter bylaws with respect to the exercise of its own
142 powers;

143 (7) (A) To borrow money for the purpose of paying the costs of any
144 project and to evidence the same, (B) to make and issue negotiable bonds
145 of the district and secure the payment of the bonds, or any part of the
146 bonds, by pledge or deed of trust of all or any of its revenues, rentals,
147 receipts and contract rights, (C) to make such agreements with the
148 purchasers or holders of the bonds or with other obligees of the district
149 in connection with any bonds, whether issued or to be issued, as the
150 district shall deem advisable, which agreements shall constitute contracts
151 with the holders or purchasers, (D) to obtain such credit enhancement or
152 liquidity facilities in connection with any bonds as the district shall
153 determine to be advantageous, and (E) to provide, in general, for the
154 security for the bonds and for the rights of the holders of the bonds;

155 (8) To make, enter into and award contracts of every name and nature
156 and to execute all instruments necessary or convenient for the carrying
157 out of its business;

158 (9) To borrow money and accept grants and to enter into contracts,
159 leases, subleases, licenses or other transactions with any federal or state
160 or political subdivision, person, association, partnership or corporation;

161 (10) To pledge, hypothecate or otherwise encumber any of its
162 property, real, personal or mixed, tangible or intangible, and its revenues
163 or receipts, including, but not limited to, any interest the district may
164 have in any lease or sublease of regional assets or parts of regional assets;

165 (11) To procure insurance containing such coverage, including,
166 without limitation, insurance covering the timely payment in full of
167 principal and interest on bonds of the district, in such amounts, from
168 such insurers, as the district may determine to be necessary or desirable
169 for its purposes;

170 (12) To invest its money;

171 (13) To cooperate with any federal or state agency or political
172 subdivision;

173 (14) To invest any funds not required for immediate disbursement in
174 reserve or sinking funds;

175 (15) To appoint all officers, agents and employees required for the
176 performance of its duties and fix and determine their qualifications,
177 duties and compensation and retain or employ other agents or
178 consultants. The board shall develop, implement and evaluate plans and
179 processes to assure that all persons are accorded equality of opportunity
180 in employment and contracting by the board;

181 (16) To employ a staff and to fix their duties, qualifications and
182 compensation;

183 (17) To assist in the development and expansion of minority business
184 enterprises and women's business enterprises; and

185 (18) To do all acts and things necessary or convenient for the
186 promotion of its purposes and the general welfare of the district and to
187 carry out the powers granted to it by this act or any other acts.

188 (c) Notwithstanding any provision of the general statutes, any special
189 act or this act:

190 (1) A district not established pursuant to section 3 of this act shall not
191 pledge the credit or taxing powers of the state or any other government
192 agency except the credit of the district. The bonds of a district shall not be
193 deemed to be a debt or liability of the state or of any other government
194 agency, except as otherwise agreed by the state or a government agency;

195 (2) Neither the state nor any government agency except a district shall
196 be liable for payment of the principal, interest or premium on any of the
197 district's bonds, except as otherwise agreed by the state or a government
198 agency; and

199 (3) The state and all other government agencies, except a district, shall

200 have no legal obligation for the payment of any expenses or obligations
201 of the district, including, but not limited to, bond principal and interest,
202 the funding or refunding of any reserve and any administrative or
203 operating expenses whatsoever, except as otherwise agreed to by the
204 state or another government agency.

205 (d) Bonds of a district shall contain a prominent statement of the
206 limitations set forth in this section and shall further state that obligees of
207 the district shall have no recourse, either legal or moral, to the state or
208 another government agency.

209 (e) The district shall not employ personnel directly engaged in the
210 operation of regional assets, but may enter into contracts with municipal
211 and other public and private organizations for the operation and
212 financing of regional assets. The board shall appoint a twenty-seven
213 member advisory board composed of individual representatives of the
214 broad range of community interests affected by the implementation of
215 this act. The advisory board shall serve to advise the board in the
216 administration of this act. Each member of the advisory board shall be
217 appointed for a term of four years, except that of the initial
218 appointments, one-half shall serve for a term of two years and one-half
219 shall serve for a term of three years.

220 Sec. 7. (NEW) (*Effective July 1, 2002*) The fiscal year of any district
221 established pursuant to section 3 of this act shall jointly be determined by
222 the board of a district and the Commissioner of Revenue Services.

223 Sec. 8. (NEW) (*Effective July 1, 2002*) (a) Immediately upon the creation
224 of a district, the board shall commence the negotiation of cooperation
225 and support agreements with the owners and operators of regional
226 assets under subsection (c) of this section. The agreements shall provide
227 for:

228 (1) Commitments regarding the level of financial support for the
229 regional assets that will be provided by the district, municipalities and
230 other public and private organizations;

231 (2) Long-term plans for the financing, development and operation of
232 regional assets;

233 (3) Performance and financial goals, objectives and standards for the
234 operation of regional assets;

235 (4) Assurances that adequate measures will be undertaken to maintain
236 and improve regional assets;

237 (5) Assurances that the operating and capital budgeting for regional
238 assets will occur in a financially responsible manner;

239 (6) A process for participation by the public, municipalities and the
240 district in the activities of regional assets and, as appropriate, in decisions
241 regarding the operations and development of regional assets; and

242 (7) Access by the district to financial information regarding the overall
243 activities of regional assets.

244 (b) Prior to the start of the initial operational fiscal year for the district,
245 the board shall adopt an operating and capital budget based upon
246 cooperation and support agreements executed with the owners and
247 operators of regional assets. The budget shall estimate the total revenues
248 required for the operating and capital expenses of the district and the
249 amount of any revenues to be allocated to the district under section 20 of
250 this act.

251 (c) The cooperation and support agreement executed with the owner
252 and operator of each regional asset shall set forth a minimum level of
253 financial support for the regional asset that will be provided by the
254 district in each of the first ten fiscal periods of the district, unless the
255 regional asset ceases operations at the option of its owner and operator.
256 The minimum level of financial support, as defined in subsection (e) of
257 this section, for a regional asset shall be not less than the financial
258 support for the regional asset provided by the municipalities during the
259 first fiscal year. If the minimum funding levels cannot be satisfied
260 because of the lack of adequate resources, the minimum levels of

261 funding for all regional assets shall be reduced by an equal fraction so as
262 to ensure that total obligations do not exceed total revenues available to
263 the district. Additional commitments of funds from sources other than
264 the district on a pro rata basis may be required by the district for any
265 financial support provided to regional assets above the minimum
266 funding levels. The financial support shall include indirect costs when
267 supported by an indirect cost study completed by an independent
268 accounting firm. Indirect costs may include charges for such services as
269 payroll, accounting, legal services, printing, vehicle repair and other
270 reasonable and necessary overhead functions.

271 (d) The board shall conduct public hearings and meetings regarding
272 proposed cooperation and support agreements and any revisions
273 thereto.

274 (e) As used in this section, "financial support" means the direct
275 commitment of moneys for the support of regional assets, including
276 payments for debt service, and the costs of compensation and benefits
277 for employees predominantly engaged in providing direct services for
278 the operation of a specific regional asset.

279 Sec. 9. (NEW) (*Effective July 1, 2002*) (a) At least ninety days before
280 commencement of the fiscal year of the district after the operational fiscal
281 year the board shall prepare a capital budget. The capital budget shall
282 show, in detail, the capital expenditures to be made or incurred in the
283 next fiscal year which are to be financed from funds subject to control or
284 appropriation by the board. No later than the date of the adoption of the
285 annual operating budget, the board shall, by a majority vote of its
286 members, adopt the capital budget. A capital development agreement
287 shall be executed with each regional asset for each capital project of the
288 asset financed or supported by the district.

289 (b) At least one per cent of the funds made available to the district by
290 taxes imposed by a municipality shall be made available for capital
291 projects undertaken within regional parks located within the boundaries
292 of the city. At least one per cent of the funds made available to the

293 district shall be made available for capital projects undertaken within
294 regional parks located within the boundaries of the regional council of
295 governments but not in the municipality with a population of more than
296 fifty thousand.

297 (c) The board shall conduct public hearings and meetings regarding
298 capital budget requests of the regional assets and the proposed annual
299 capital budget of the district.

300 Sec. 10. (NEW) (*Effective July 1, 2002*) (a) At least ninety days before
301 commencement of the ensuing fiscal year of the district the board shall
302 prepare an operating budget. The operating budget shall set forth the
303 estimated receipts and revenues of the district during the next fiscal year.
304 The board shall, at least thirty days before the end of the fiscal year,
305 adopt, by a majority vote of its members, the operating budget for the
306 next fiscal year. An annual funding agreement shall be executed with
307 each regional asset allocated funds pursuant to the operating budget.

308 (b) The board shall conduct public hearings and meetings regarding
309 the operating budget requests of regional assets and the proposed
310 annual operating budget of the district.

311 Sec. 11. (NEW) (*Effective July 1, 2002*) The board of the district shall, no
312 later than July first annually, prepare a comprehensive report of its
313 activities and operations for the previous year and shall make the report
314 available to all members of the regional council of governments, other
315 municipalities within the state, other regional assets districts and other
316 interested groups and organizations. The board shall conduct public
317 meetings and hearings to receive public comments and
318 recommendations regarding the activities and operations of the board.

319 Sec. 12. (NEW) (*Effective July 1, 2002*) The board shall provide for an
320 annual audit by an independent certified public accounting firm of
321 district fiscal and other records, including documentation of
322 employment practices and actions taken by the board to develop and
323 expand minority business enterprises. A copy of such audit shall be sent
324 to the Secretary of the Office of Policy and Management.

325 Sec. 13. (NEW) (*Effective July 1, 2002*) (a) Notwithstanding the
326 provisions of the general statutes or any special act or any municipal
327 charter or home rule ordinance, the district may assume the financial
328 functions of a municipality with respect to the support of regional civic
329 facilities, regional parks, regional libraries, professional sports facilities,
330 regional cultural facilities and other organizations and properties vital to
331 the quality of life of the region that are located within the region.

332 (b) The district shall not provide financial support for the following:
333 (1) Any health care facility or institution which predominantly provides
334 elementary, secondary or higher education or other training; (2) any park
335 which contains fewer than two hundred acres, except for linear parks
336 located in more than one municipality which serve a substantial number
337 of nonresidents; (3) any regional asset which fails to serve a significant
338 number of persons who are not residents of the municipality in which
339 the regional asset is located; and (4) any library which is not a regional
340 library resource center, or which is not part of a library system serving
341 multiple municipalities.

342 Sec. 14. (NEW) (*Effective July 1, 2002*) The district shall execute
343 cooperation and support agreements governing civic facilities, parks,
344 libraries and sports facilities supported by the district. The agreements
345 shall be executed by the district, the municipality, to the extent the
346 municipalities have contributed to the support of the regional assets or
347 where regional assets are located within their boundaries, and by any
348 other person who owns, operates or manages a regional asset. The
349 agreements shall set forth the manner in which the district will assume
350 the financial functions of the municipality with respect to the support of
351 the regional assets. Each cooperation and support agreement shall
352 provide for comprehensive periodic financial reviews and audits of the
353 regional asset and may provide for a performance review and audit of
354 the regional asset.

355 Sec. 15. (NEW) (*Effective July 1, 2002*) (a) The board of directors of the
356 district is authorized from time to time to issue bonds, notes and other
357 obligations in such principal amounts as in the opinion of the board shall

358 be necessary to provide sufficient funds for carrying out the purposes set
359 forth in sections 1 to 22, inclusive, of this act, including the payment,
360 funding or refunding of the principal of, or interest or redemption
361 premiums on, any bonds, notes or other obligations issued by it whether
362 the bonds, notes or other obligations or interest to be funded or refunded
363 have or have not become due, the establishment of reserves to secure
364 such bonds, notes or other obligations and all other expenditures of the
365 district incidental to and necessary or convenient to carry out the
366 purposes set forth in sections 1 to 22, inclusive, of this act.

367 (b) Except as provided in sections 1 to 22, inclusive, of this act, every
368 issue of bonds, notes or other obligations, shall be a general obligation of
369 the district payable out of any moneys or revenues of the district subject
370 only to any agreements with the holders of particular bonds, notes or
371 other obligations pledging any particular moneys or revenues. Any such
372 bonds, notes or other obligations may be additionally secured by a
373 pledge of any state contract assistance as provided under subsection (i)
374 of this section and such state taxes as the district shall be entitled to
375 receive pursuant to the provisions of section 21 of this act, any grant or
376 contribution from any department, agency or instrumentality of the
377 United States or person or a pledge of any moneys, income or revenues
378 of the district from any source whatsoever.

379 (c) Any provision of any law to the contrary notwithstanding, any
380 bonds, notes or other obligations issued by the district pursuant to this
381 act shall be fully negotiable within the meaning and for all purposes of
382 title 42a of the general statutes. Any such bonds, notes or other
383 obligations shall be legal investments for all trust companies, banks,
384 investment companies, savings banks, building and loan associations,
385 executors, administrators, guardians, conservators, trustees and other
386 fiduciaries and pension, profit-sharing and retirement funds.

387 (d) Bonds, notes or other obligations of the district shall be authorized
388 by resolution of the board of directors of the district and may be issued
389 in one or more series and shall bear such date or dates, mature at such
390 time or times, in the case of any such note, or any renewal thereof, not

391 exceeding the term of years as the board shall determine from the date of
392 the original issue of such notes, and, in the case of bonds, not exceeding
393 thirty years from the date thereof, bear interest at such rate or rates, be in
394 such denomination or denominations, be in such form, either coupon or
395 registered, carry such conversion or registration privileges, have such
396 rank or priority, be executed in such manner, be payable from such
397 sources in such medium of payment at such place or places within or
398 without this state, and be subject to such terms of redemption, with or
399 without premium, as such resolution or resolutions may provide.

400 (e) Bonds, notes or other obligations of the district may be sold at
401 public or private sale at such price or prices as the board shall determine.

402 (f) Bonds, notes or other obligations of the district may be refunded
403 and renewed from time to time as may be determined by resolution of
404 the board, provided any such refunding or renewal shall be in
405 conformity with any rights of the holders thereof.

406 (g) Bonds, notes or other obligations of the district issued under the
407 provisions of this section shall not be deemed to constitute a debt or
408 liability of the state or of any political subdivision thereof other than the
409 district or a pledge of the faith and credit of the state or of any such
410 political subdivision other than the district, and shall not constitute
411 bonds or notes issued or guaranteed by the state within the meaning of
412 section 3-21 of the general statutes, but shall be payable solely from the
413 funds provided in this section. All such bonds, notes or other obligations
414 shall contain on the face thereof a statement to the effect that neither the
415 state of Connecticut nor any political subdivision thereof other than the
416 district shall be obligated to pay the same or the interest thereof except
417 from revenues or other funds of the district and that neither the faith and
418 credit nor the taxing power of the state of Connecticut or of any political
419 subdivision thereof other than the district is pledged to the payment of
420 the principal of or the interest on such bonds, notes or other obligations.

421 (h) Any resolution or resolutions authorizing the issuance of bonds,
422 notes or other obligations may contain provisions, except as expressly

423 limited in this section and except as otherwise limited by existing
424 agreements with the holders of bonds, notes or other obligations, which
425 shall be a part of the contract with the holders thereof, as to the
426 following: (1) The pledging of all or any part of the moneys received by
427 the district to secure the payment of the principal of and interest on any
428 bonds, notes or other obligations or of any issue thereof; (2) the pledging
429 of all or part of the assets of the district to secure the payment of the
430 principal and interest on any bonds, notes or other obligations or of any
431 issue thereof; (3) the establishment of reserves or sinking funds, the
432 making of charges and fees to provide for the same and the regulation
433 and disposition thereof; (4) limitations on the purpose to which the
434 proceeds of the sale of bonds, notes or other obligations may be applied
435 and pledging such proceeds to secure the payment of the bonds, notes or
436 other obligations, or of any issues thereof; (5) limitations on the issuance
437 of additional bonds, notes or other obligations; (6) the terms upon which
438 additional bonds, bond anticipation notes or other obligations may be
439 issued and secured; (7) the refunding or purchase of outstanding bonds,
440 notes or other obligations of the district; (8) the procedure, if any, by
441 which the terms of any contract with the holders of any bonds, notes or
442 other obligations of the district may be amended or abrogated, the
443 amount of bonds, notes or other obligations the holders of which must
444 consent thereto, and the manner in which such consent may be given; (9)
445 the limitation on the amount of moneys to be expended by the district for
446 operating, administrative or other expenses of the district; (10) the
447 vesting in a trustee or trustees of such property, rights, powers and
448 duties in trust as the district may determine, which may include any or
449 all of the rights, powers and duties of any trustee appointed by the
450 holders of any bonds, notes or other obligations and limiting or
451 abrogating the right of the holders of any bonds, notes or other
452 obligations of the district to appoint a trustee under this act or limiting
453 the rights, powers and duties of such trustee; (11) the provision for a
454 trust agreement by and between the district and a corporate trustee
455 which may be any trust company or bank having the powers of a trust
456 company within or without the state, which agreement may provide for
457 the pledging or assigning of any assets or income from assets to which or

458 in which the district has any rights or interest, and may further provide
459 for such other rights and remedies exercisable by the trustee as may be
460 proper for the protection of the holders of any bonds, notes or other
461 obligations of the district and not otherwise in violation of law. Such
462 agreement may provide for the restriction of the rights of any individual
463 holder of bonds, notes or other obligations of the district. All expenses
464 incurred in carrying out the provisions of such trust agreement may be
465 treated as a part of the cost of operation of the district. The trust
466 agreement may contain any further provisions which are reasonable to
467 delineate further the respective rights, duties, safeguards, responsibilities
468 and liabilities of the district, individual and collective holders of bonds,
469 notes and other obligations of the district and the trustees; (12) covenants
470 to do or refrain from doing such acts and things as may be necessary or
471 convenient or desirable in order to better secure any bonds, notes or
472 other obligations of the district or which, in the discretion of the district,
473 will tend to make any bonds, notes or other obligations to be issued
474 more marketable notwithstanding that such covenants, acts or things
475 may not be enumerated in this subsection; and (13) any other matters of
476 like or different character, which in any way affect the security or
477 protection of the bonds, notes or other obligations.

478 (i) Any pledge made by the district of income, revenues, state contract
479 assistance as provided in this section and such state taxes as the district
480 shall be entitled to receive pursuant to the provisions of this section, or
481 other property shall be valid and binding from the time the pledge is
482 made and shall constitute a pledge within the meaning and for all
483 purposes of title 42a of the general statutes. The income, revenue, state
484 contract assistance as provided under any provision of the general
485 statutes and such state taxes as the district shall be entitled to receive
486 pursuant to the provisions of this section, or other property so pledged
487 and thereafter received by the district shall immediately be subject to the
488 lien of such pledge without any physical delivery thereof or further act,
489 and the lien of any such pledge shall be valid and binding as against all
490 parties having claims of any kind in tort, contract or otherwise against
491 the district, irrespective of whether such parties have notice thereof.

492 (j) The board of directors of the district is authorized and empowered
493 to obtain from any department, agency or instrumentality of the United
494 States any insurance or guarantee as to, or of or for the payment or
495 repayment of, interest or principal, or both, or any part thereof, on any
496 bonds, notes or other obligations issued by the district pursuant to the
497 provisions of this section and, notwithstanding any other provisions of
498 this act to enter into any agreement, contract or any other instrument
499 whatsoever with respect to any such insurance or guarantee except to the
500 extent that such action would in any way impair or interfere with the
501 district's ability to perform and fulfill the terms of any agreement made
502 with the holders of the bonds, bond anticipation notes or other
503 obligations of the district.

504 (k) Neither the members of the board of directors of the district nor
505 any person executing bonds, notes or other obligations of the district
506 issued pursuant to this section shall be liable personally on such bonds,
507 notes or other obligations or be subject to any personal liability or
508 accountability by reason of the issuance thereof, nor shall any director or
509 employee of the district be personally liable for damage or injury, not
510 wanton, reckless, wilful or malicious, caused in the performance of
511 duties and within the scope of employment or appointment as such
512 director, officer or employee. The district shall protect, save harmless and
513 indemnify its directors, officers or employees from financial loss and
514 expense, including legal fees and costs, if any, arising out of any claim,
515 demand, suit or judgment by reason of alleged negligence or alleged
516 deprivation of any person's civil rights or any other act or omission
517 resulting in damage or injury, if the director, officer or employee is found
518 to have been acting in the discharge of duties or within the scope of
519 employment and such act or omission is found not to have been wanton,
520 reckless, wilful or malicious.

521 (l) The board of directors of the district shall have power to purchase
522 bonds, notes or other obligations of the district out of any funds available
523 therefor. The district may hold, cancel or resell such bonds, notes or
524 other obligations subject to and in accordance with agreements with
525 holders of its bonds, notes or other obligations.

526 (m) All moneys received by the district pursuant to this section,
527 whether as proceeds from the sale of bonds or as revenues, shall be
528 deemed to be trust funds to be held and applied solely as provided in
529 this section. Any officer with whom, or any bank or trust company with
530 which, such moneys shall be deposited shall act as trustee of such
531 moneys and shall hold and apply the same for the purposes of this act,
532 subject to such regulations as this act and the resolution authorizing the
533 bonds of any issue or the trust agreement securing such bonds may
534 provide.

535 (n) Any holder of bonds, notes or other obligations issued under the
536 provisions of this section, and the trustee or trustees under any trust
537 agreement, except to the extent the rights herein given may be restricted
538 by any resolution authorizing the issuance of, or any such trust
539 agreement securing, such bonds, may, either at law or in equity, by suit,
540 action, mandamus or other proceedings, protect and enforce any and all
541 rights under the laws of the state or granted hereunder or under such
542 resolution or trust agreement, and may enforce and compel the
543 performance of all duties required by this section or by such resolution
544 or trust agreement to be performed by the district or by any officer,
545 employee or agent thereof, including the fixing, charging and collecting
546 of the rates, rents, fees and charges herein authorized and required by
547 the provisions of such resolution or trust agreement to be fixed,
548 established and collected.

549 (o) The district may make representations and agreements for the
550 benefit of the holders of any bonds, notes or other obligations of the state
551 which are necessary or appropriate to ensure the exclusion from gross
552 income for federal income tax purposes of interest on bonds, notes or
553 other obligations of the state from taxation under the Internal Revenue
554 Code of 1986 or any subsequent corresponding internal revenue code of
555 the United States, as from time to time amended, including agreement to
556 pay rebates to the federal government of investment earnings derived
557 from the investment of the proceeds of the bonds, notes or other
558 obligations of the district. Any such agreement may include: (1) A
559 covenant to pay rebates to the federal government of investment

560 earnings derived from the investment of the proceeds of the bonds, notes
561 or other obligations of the district; (2) a covenant that the district will not
562 limit or alter its rebate obligations until its obligations to the holders or
563 owners of such bonds, notes or other obligations are finally met and
564 discharged; and (3) provisions to (A) establish trust and other accounts
565 which may be appropriate to carry out such representations and
566 agreements, (B) retain fiscal agents as depositories for such funds and
567 accounts, and (C) provide that such fiscal agents may act as trustee of
568 such funds and accounts.

569 Sec. 16. (NEW) (*Effective July 1, 2002*) (a) Any district established under
570 this act shall be responsible for any injury or damage to persons or
571 property, happening or arising by reason of the maintenance or
572 operation of the same, in the same manner and to the same extent as
573 though the same were owned and operated by individuals or by a
574 private corporation. Members of the board shall not be personally liable
575 to suits in such cases except for malfeasance in office. Any member of the
576 board shall be an agent of the district for service of process.

577 (b) Each town, city or borough which has formed a district pursuant
578 to section 3 of this act shall jointly assume the liability imposed upon any
579 officer, agent or employee of such district, acting in the performance of
580 duties and in the scope of employment, under, and in the manner and in
581 accordance with the procedures set forth in, subsection (a) of section
582 7-465 of the general statutes. Such joint assumption of liability shall be
583 proportionately shared by the towns, cities and boroughs in such district
584 on the same basis that the expenses of such district are shared.

585 Sec. 17. (NEW) (*Effective July 1, 2002*) Any municipality participating
586 in the district (1) may make grants from current revenues to the district
587 and to assist in defraying the costs of managing, operating, maintaining,
588 financing and servicing the debt of regional assets or parts of regional
589 assets, (2) may enter into long-term agreements providing for payment
590 of the costs, and (3) may enter into long-term leases or subleases as lessee
591 or sublessee of all or part of a regional asset. Obligations of the
592 municipality to make grants or lease or sublease payments to the district

593 shall not constitute debts of the municipality and shall be payable only to
594 the extent that current revenues of the municipality are available. Any
595 such municipality may issue general obligation bonds for the purpose of
596 obtaining funds for the acquisition or improvement of regional assets or
597 parts of regional assets.

598 Sec. 18. (NEW) (*Effective July 1, 2002*) In addition to the remedies of
599 obligees of the district provided by section 16 of this act, the district may
600 pledge all or any part of the net revenues of additional revenues under
601 section 21 of this act in connection with the issuance of bonds or the
602 incurring of obligations under leases in order to secure the payment of
603 the bonds and obligations. The state may pledge the revenues in support
604 of or in connection with the issuance of bonds or the incurring of
605 obligations under leases by the district in order to further secure the
606 payment of the bonds and obligations.

607 Sec. 19. (NEW) (*Effective July 1, 2002*) (a) Notwithstanding any
608 provision of the general statutes, the district may by resolution impose a
609 tax on any income, item or transaction that is taxed by the state under
610 any provision of the general statutes. The resolution shall include
611 procedures for collection of revenue generated which shall be consistent
612 with collection of the comparable state tax. The Commissioner of
613 Revenue Services and the district shall enter into a memorandum of
614 understanding to facilitate collection of the tax and allocation to the
615 district.

616 (b) If the sales and use tax imposed under chapter 219 of the general
617 statutes, as amended, is selected to be segregated, the situs of sales and
618 uses of motor vehicles, air craft, boats and utilities shall be the residence
619 of the purchaser.

620 (c) The Department of Revenue Services may retain from the revenue
621 collected from the tax imposed under subsection (a) of this section an
622 amount sufficient to cover the costs incurred under this section.

623 Sec. 20. (NEW) (*Effective July 1, 2002*) On or before the tenth day of
624 every month, the state shall make the following disbursements on behalf

625 of the district out of the moneys which are, as of the last day of the
626 previous month, collected: (1) Not more than one-half of the moneys to
627 the district for use by it for the purposes of section 6 of this act, provided
628 the district shall not utilize more than one per cent of such amount for
629 administrative expenses; and (2) not less than one-half of the moneys to
630 municipalities for use by the municipalities for property tax relief.

631 Sec. 21. (NEW) (*Effective July 1, 2002*) (a) For the purposes of this
632 section, (1) "weighted tax revenues" means total tax revenues from all
633 sources of a municipality divided by the ratio of its per capita market
634 value to the per capita market value of the planning region, as calculated
635 by the Secretary of the Office of Policy and Management, and (2) "per
636 capita market value" means the total market value of all real property
637 divided by population as determined by the most recent decennial
638 census.

639 (b) The State Treasurer shall distribute disbursements to
640 municipalities in the manner provided in this section. Each municipality
641 shall receive a portion of the total disbursement to municipalities which
642 is equal to the total disbursement to municipalities multiplied by the
643 ratio of weighted tax revenues of the municipality divided by the sum of
644 the weighted tax revenues of all qualified municipalities located in the
645 county.

646 Sec. 22. (NEW) (*Effective July 1, 2002*) (a) Municipalities shall utilize the
647 disbursements received from the State Treasurer under section 21 of this
648 act in the first full calendar year in which the disbursements are received
649 for the reduction of local taxes.

650 (b) Effective January first of the first full calendar year in which
651 disbursements are received, municipalities shall provide an exemption
652 for personal property from the taxes imposed under chapter 203 of the
653 general statutes.

654 (c) Beginning in the second full calendar year in which disbursements
655 are received from the State Treasurer under section 21 of this act, and in
656 each year thereafter, municipalities shall contribute an amount equal to

657 at least twenty-five per cent of the increase in the amount of such
 658 disbursements received in excess of the prior calendar year to regional
 659 entities including regional councils of governments. The contributions
 660 made pursuant to this section shall not be used to offset or reduce other
 661 contributions made to councils of governments or other
 662 intergovernmental entities or organizations.

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| This act shall take effect as follows: | |
| Section 1 | <i>July 1, 2002</i> |
| Sec. 2 | <i>July 1, 2002</i> |
| Sec. 3 | <i>July 1, 2002</i> |
| Sec. 4 | <i>July 1, 2002</i> |
| Sec. 5 | <i>July 1, 2002</i> |
| Sec. 6 | <i>July 1, 2002</i> |
| Sec. 7 | <i>July 1, 2002</i> |
| Sec. 8 | <i>July 1, 2002</i> |
| Sec. 9 | <i>July 1, 2002</i> |
| Sec. 10 | <i>July 1, 2002</i> |
| Sec. 11 | <i>July 1, 2002</i> |
| Sec. 12 | <i>July 1, 2002</i> |
| Sec. 13 | <i>July 1, 2002</i> |
| Sec. 14 | <i>July 1, 2002</i> |
| Sec. 15 | <i>July 1, 2002</i> |
| Sec. 16 | <i>July 1, 2002</i> |
| Sec. 17 | <i>July 1, 2002</i> |
| Sec. 18 | <i>July 1, 2002</i> |
| Sec. 19 | <i>July 1, 2002</i> |
| Sec. 20 | <i>July 1, 2002</i> |
| Sec. 21 | <i>July 1, 2002</i> |
| Sec. 22 | <i>July 1, 2002</i> |

PD Joint Favorable Subst.